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ALLEN PARISH SHERIFF
Oberlin, Louisiana

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-22-06

Royce T. Scimemi, CPA, APAC
Oberlin, LA

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INDEPENDENT AUDITORS' REPORT

January 10, 2006

Honorable Harold Brady
Allen Parish Sheriff
Oberlin, Louisiana

I have audited the accompanying basic financial statements of the governmental activities of the Allen Parish Sheriff, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Allen Parish Sheriff. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Allen Parish Sheriff as of June 30, 2005, and the respective changes in financial position and each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 10, 2006, on my consideration of the Allen Parish Sheriff's internal control over financial reporting and my test of his compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Allen Parish Sheriff
Independent Auditor's Report
January 10, 2006

The Management's Discussion and Analysis and the required supplemental information on pages 5 through 13 and pages 42 through 45, respectively, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Sheriff's basic financial statements. The other supplemental information on pages 46 through 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Allen Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Royce T. Scimemi, CPA, APAC

Royce T. Scimemi, CPA, APAC

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis

Within this section of the Allen Parish Sheriff's (Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2005. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Sheriff's assets exceeded his liabilities by \$2,878,157 (net assets) for the fiscal year reported.
- Total revenues and other financing sources of \$4,197,546 exceeded total expenditures and other financing uses of \$4,180,097, which resulted in a current year surplus of \$17,449. This is considerably up from last year, when expenditures in excess of revenues yielded a deficit of \$209,638.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$1,001,157 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the purchase of capital assets.
 - (2) Restricted net assets of \$1,541,026 include Coshatta Grant Revenues dedicated for the construction of a new jail facility.
 - (3) Unrestricted net assets of \$335,974.
- The Sheriff's governmental funds reported a total ending fund balance of \$1,880,985 this year. This compares to the prior year ending fund balance of \$1,863,536, reflecting an increase of \$17,449 during the current year. Also, the general fund reported a total ending fund balance of \$312,864 this year. This compares to the prior year general fund ending fund balance of \$375,441, reflecting a decrease of \$62,577 during the current year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$312,864, or 10% of total General Fund expenditures including operating transfers (\$3,042,675) and 11% of total General Fund revenues including operating transfers (\$2,766,647).
- Overall, the Sheriff's office financial position has improved while operational funding has deteriorated. This occurred because significant cuts were made in spending.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Sheriff that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include public safety.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The Sheriff uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 20 and 22 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds.

The basic agency fund financial statements are presented on pages 24 and 25 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 42 through 44 of this report.

As discussed, the Sheriff reports major funds in the basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Financial Analysis of the Sheriff as a Whole

The Sheriff's net assets at fiscal year-end are \$2,878,157. The following table provides a summary of the Sheriff's net assets:

	Governmental Activities	Percentage
Assets:		
Current assets	\$ 1,995,456	62%
Capital assets	<u>1,227,669</u>	<u>38</u>
Total assets	<u>3,223,125</u>	<u>100%</u>
Liabilities:		
Current liabilities	190,614	55%
Long-term liabilities	<u>154,354</u>	<u>45</u>
Total liabilities	<u>344,968</u>	<u>100%</u>
Net assets:		
Investment in capital assets, net of debt	1,001,157	
Restricted for debt service	-	
Restricted for capital projects	1,541,026	
Unrestricted	<u>335,974</u>	
Total net assets	<u>\$ 2,878,157</u>	

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the Sheriff overall is 10.47 to 1. This ratio is strong, but it does not take into account the fact that most of the current assets are restricted for debt service and capital projects.

Note that approximately 38% of the governmental activities' total assets are capital assets. The Sheriff uses these capital assets to provide services to its citizens.

Overall, the Sheriff's office reports net assets of \$2,878,157. This amount is \$110,024 higher than last year. The Sheriff's office has a net of \$1,227,669 invested in capital assets. The Sheriff's overall financial position deteriorated during fiscal year ended June 30, 2005.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The following table provides a summary of the Sheriff's changes in net assets:

	<u>Governmental Activities</u>	<u>Percentage</u>
Revenues:		
Program:		
Fees, fines and charges for services	\$ 742,219	24%
Operating grants and contributions	681,438	22
Capital grants and contributions	300,000	10
General:		
Property taxes	1,152,927	37
State grants and contributions not restricted to specific programs	196,675	6
Interest	24,130	1
Miscellaneous	<u>400</u>	<u>-</u>
Total Revenues	<u>3,097,789</u>	<u>100%</u>
Program expenses:		
Public safety	2,968,257	99%
Interest	<u>19,508</u>	<u>1</u>
Total Expenses	<u>2,987,765</u>	<u>100%</u>
Change in net assets	110,024	
Beginning net assets	<u>2,768,133</u>	
Ending net assets	<u>\$ 2,878,157</u>	

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Governmental Revenues

The Sheriff is heavily reliant on property taxes to support its operations. Property taxes provided 37% of the Sheriff's total revenues. Also, note that program revenues covered 58% of governmental operating expenses. This means that the government's taxpayers, in the form of property taxes, grants, and the Sheriff's other general revenues funded 42% of its operations.

Governmental Functional Expenses

The total function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the outstanding obligations of capital leases. Of the total cost, depreciation on the furniture, equipment, vehicles and buildings was \$122,135 or 4.0% of total expenses.

Financial Analysis of the Sheriff's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$1,880,985. Legally restricted fund balances include: \$1,904 reserved for debt service and \$1,541,026 reserved for capital. As a result, the unreserved, undesignated fund balance is \$338,055.

The unreserved, undesignated fund balance decreased by \$230,273 from the previous year.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$62,577. In fiscal year ended June 30, 2005, revenues decreased by \$48,192 while operating expenditures decreased by \$86,561. Operating transfers from other funds account for the largest increase in funding for the Sheriff's General Fund operations. Net operating transfers into the General Fund increased by \$368,676 from \$217,630 last year to \$586,306 this year.

The E-911 Fund is the Sheriff's special revenue used for maintaining the enhanced 911 emergency telephone system of the parish. The E-911 Fund's fund balance increased by \$10,878. In fiscal year ended June 30, 2005, revenues decreased by \$11,680 while operating expenditures decreased by \$59,388.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The Coushatta Tribe of Louisiana Community Grant Fund is the Sheriff's special revenue fund used to account for receipt and disbursement of gaming grants received from the Coushatta Tribe of Louisiana. The Coushatta Tribe of Louisiana Community Grant Fund's fund balance decreased by \$167,676. In fiscal year ended June 30, 2005, gaming revenues from the Coushatta Tribe of Louisiana decreased by \$75,854. Operating transfers to other funds account for the largest reduction of funding for the Coushatta Tribe of Louisiana Community Grant Fund. Operating transfers into the General Fund increased by \$284,000 from \$300,000 last year to \$584,000 this year. Operating transfers into the Capital Projects Fund (for future jail construction) remained at \$300,000 this year, the same amount reported last year.

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness. The Debt Service Fund's fund balance decreased by \$78,348. In fiscal year ended June 30, 2005, debt service expenditures increased by \$1,629, while operating transfers in from the General Fund decreased by \$86,620 from \$86,620 last year to \$0 this year.

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other funds. The Capital Projects Fund's fund balance increased by \$315,192. In fiscal year ended June 30, 2005, revenues increased by \$5,539. Net operating transfers increased by \$1,944 from \$295,750 last year to \$297,694 this year.

Budgetary Highlights

The General Fund – When the original budget was adopted, it was anticipated that the total revenues would increase by \$44,367 this year. The original budget reflected a decrease in total expenditures of \$34,077 from the previous fiscal year mainly due to an anticipated decrease in expenditures for personal services and related benefits. The budget was amended once during the year. Personal services and related benefits decreased by \$302,353 over last year when revenues decreased by \$46,192 and net operating transfers increased by \$368,676.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administrators

Capital assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2005, was \$1,227,669. See Note F for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Nondepreciable assets-land	\$ 82,178	\$ 82,178
Depreciable assets:		
Buildings and improvements	1,017,482	1,017,482
Office, equipment and furniture	492,696	399,036
Vehicles	<u>550,151</u>	<u>586,979</u>
Total depreciable assets	2,060,329	2,003,497
Less accumulated depreciation	<u>914,838</u>	<u>896,066</u>
Book value-depreciable assets	<u>\$1,145,491</u>	<u>\$1,107,431</u>
Percentage depreciated	<u>44%</u>	<u>45%</u>
Book value-all assets	<u>\$1,227,669</u>	<u>\$1,189,609</u>

At June 30, 2005, the depreciable capital assets for governmental activities were 44% depreciated. The book value is at 56% of the original cost.

Long-term debt

At the end of the fiscal year, the Sheriff had total certificates of indebtedness outstanding of \$215,000. The total amount of these obligations is secured by general fund revenues. During the year, the Sheriff retired \$65,000 of the outstanding debt balance. The Sheriff also issued and retired \$200,000 in short-term promissory notes, leaving no unpaid balance remaining at year-end. This borrowing was reported in the General Fund. The Sheriff also utilized a capital lease for the purchase of copy equipment placed in service this year. Financing of \$13,451 was reported as other financing sources and \$1,939 in principal debt service retirements was made on the lease, leaving a balance due at year-end of \$11,512 that is secured by the leased equipment. See Note G for additional information regarding long-term debt.

ALLEN PARISH SHERIFF
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Contacting the Sheriff's Financial Management

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Sheriff's office, Mr. Danny Manuel, Chief Civil Deputy at (337) 639-4353.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS
(GWFS)**

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF NET ASSETS
June 30, 2005

	Governmental <u>Activities</u>
ASSETS	
Cash - Interest bearing	\$ 1,710,808
Cash - Non-interest bearing	300
Investments	719
Receivables	203,240
Due from other governmental units	80,389
Capital assets:	
Land	82,178
Capital assets, net	<u>1,145,491</u>
Total assets	<u>3,223,125</u>
LIABILITIES	
Accounts and other accrued payables	114,472
Interest payable	3,984
Long-term liabilities:	
Due within one year	72,158
Due after one year	<u>154,354</u>
Total liabilities	<u>344,968</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,001,157
Restricted for debt service	-
Restricted for capital projects	1,541,026
Unrestricted	<u>335,974</u>
Total net assets	<u>\$ 2,878,157</u>

The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2005

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Public safety	\$2,968,257	\$ 742,219	\$ 681,438	\$ 300,000	\$ (1,244,600)
Interest on long-term debt	<u>19,508</u>	-	-	-	<u>(19,508)</u>
Total	<u>\$2,987,765</u>	<u>\$ 742,219</u>	<u>\$ 681,438</u>	<u>\$ 300,000</u>	<u>(1,264,108)</u>
General Revenues:					
Taxes -					
Property taxes, levied for general purposes					1,152,927
Grants and contributions not restricted to specific programs -					
State sources					196,675
Interest and investment earnings					24,130
Miscellaneous					<u>400</u>
Total general revenues					<u>1,374,132</u>
Change in net assets					110,024
Net assets - June 30, 2004					<u>2,768,133</u>
Net assets - June 30, 2005					<u>\$ 2,878,157</u>

The accompanying notes are an integral part of these basic financial statements.

**FUND FINANCIAL STATEMENTS
(FFS)**

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

E-911 Special Revenue Fund

The E-911 Special Revenue Fund was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish.

Coushatta Tribe of Louisiana Community Grant Fund

The Coushatta Tribe of Louisiana Community Grant Fund was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness.

Capital Projects Fund

The Capital Projects Fund is used to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS						
Cash - Non-interest bearing	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 300
Cash - interest bearing	301,340	21,250	95	1,904	1,386,219	1,710,808
Investments	719	-	-	-	-	719
Receivables:						
Due from other governmental units	80,389	-	-	-	-	80,389
Due from other funds	43,788	-	-	-	137,452	181,240
Other	800	33,987	162,548	-	5,908	203,241
Total assets	<u>427,336</u>	<u>55,237</u>	<u>162,643</u>	<u>1,904</u>	<u>1,529,577</u>	<u>2,176,697</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	54,835	-	-	-	-	54,835
Accrued payroll	59,837	-	-	-	-	59,837
Due to other funds	-	43,788	137,452	-	-	181,240
Total liabilities	<u>114,472</u>	<u>43,788</u>	<u>137,452</u>	<u>-</u>	<u>-</u>	<u>295,712</u>
Fund balances:						
Reserved for debt service	-	-	-	1,904	-	1,904
Reserved for capital projects	-	11,449	-	-	1,529,577	1,541,026
Unreserved, undesignated	312,864	-	25,191	-	-	338,055
Total fund balances	<u>312,864</u>	<u>11,449</u>	<u>25,191</u>	<u>1,904</u>	<u>1,529,577</u>	<u>1,880,985</u>
Total liabilities and fund balances	<u>\$ 427,336</u>	<u>\$ 55,237</u>	<u>\$ 162,643</u>	<u>\$ 1,904</u>	<u>\$ 1,529,577</u>	<u>\$ 2,176,697</u>

The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2005

Total fund balance for governmental funds at June 30, 2005 \$ 1,880,985

Total net assets reported for governmental activities in the statement of
net assets is different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 82,178	
Capital assets, net of \$914,838 accumulated depreciation	<u>1,145,491</u>	1,227,669

Long-term liabilities at June 30, 2005:

Accrued interest payable	(3,984)	
Capital lease payable	(11,513)	
Certificate of indebtedness payable	<u>(215,000)</u>	<u>(230,497)</u>

Total net assets of governmental activities at June 30, 2005 \$ 2,878,157

The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES –GOVERNMENTAL FUNDS
Year Ended June 30, 2005

	General Fund	E-911 Fund	Coushatta Tribe of Louisiana Community Grant Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES						
Ad valorem taxes	\$ 1,152,927	\$ -	\$ -	\$ -	\$ -	\$ 1,152,927
Intergovernmental revenues -						
Federal grants	82,608	-	-	-	-	82,608
State grants	61,216	-	-	-	-	61,216
State revenue sharing (net)	128,385	-	-	-	-	128,385
State supplemental pay	68,290	-	-	-	-	68,290
Local sources	121,892	-	715,722	-	-	837,614
Miscellaneous	400	-	-	-	-	400
Fees, charges and commissions for services:						
Civil and criminal fees	259,185	-	-	-	-	259,185
Court attendance	16,568	-	-	-	-	16,568
E-911 reimbursements	118,740	-	-	-	-	118,740
Feeding and keeping prisoners	131,490	-	-	-	-	131,490
Transporting prisoners	18,425	-	-	-	-	18,425
Other	14,288	183,543	-	-	-	197,831
Interest income	5,947	54	582	49	17,498	24,130
Total revenues	<u>2,180,341</u>	<u>183,597</u>	<u>716,304</u>	<u>49</u>	<u>17,498</u>	<u>3,097,789</u>
EXPENDITURES						
Current -						
Public safety:						
Personal services and related benefits	1,842,107	-	-	-	-	1,842,107
Operating services	438,284	172,719	-	-	-	611,003
Operations and maintenance	386,870	-	-	71	-	386,941
Travel	906	-	-	-	-	906
Capital outlay	165,361	-	-	-	-	165,361
Debt Service						
Principal	201,939	-	-	65,000	-	266,939
Interest	7,208	-	-	13,326	-	20,534
Total expenditures	<u>3,042,875</u>	<u>172,719</u>	<u>-</u>	<u>78,397</u>	<u>-</u>	<u>3,293,791</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(862,334)	10,878	716,304	(78,348)	17,498	(196,002)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	586,308	-	-	-	300,000	886,308
Operating transfers out	-	-	(884,000)	-	(2,306)	(886,306)
Short-term note proceeds	200,000	-	-	-	-	200,000
Capital lease financing	13,451	-	-	-	-	13,451
Total other financing sources (uses)	<u>799,757</u>	<u>-</u>	<u>(884,000)</u>	<u>-</u>	<u>297,694</u>	<u>213,451</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(62,577)	10,878	(167,696)	(78,348)	315,192	17,449
FUND BALANCE – BEGINNING	<u>375,441</u>	<u>571</u>	<u>192,887</u>	<u>80,252</u>	<u>1,214,385</u>	<u>1,863,536</u>
FUND BALANCE – ENDING	<u>\$ 312,864</u>	<u>\$ 11,449</u>	<u>\$ 25,191</u>	<u>\$ 1,904</u>	<u>\$ 1,529,577</u>	<u>\$ 1,880,985</u>

The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

Total net changes in fund balances at June 30, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 17,449
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 165,361	
Basis in assets disposed of during year ended June 30, 2005	(5,165)	
Depreciation expense for the year ended June 30, 2005	(122,135)	38,061

The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The proceeds of short-term loans and capital lease transactions are reported as other financing sources in the governmental funds. However, this revenue does not appear in the statement of activities. It is reported in the statement of net assets as short-term and long-term liabilities. Short-term proceeds and capital lease financing amounted to \$200,000 and \$13,451, respectively.	(213,451)
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The bond, short-term loan, and capital lease repayments amounted to \$65,000, \$1,939, and \$200,000, respectively. Governmental funds report repayments of bonded debt, short-term loans, and capital lease installments as expenditures. However, these expenditures do not appear in the statement of activities since the payments are applied against the bond, short-term loan, and capital lease payables on the statement of net assets	266,939
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	1,026
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Total changes in net assets at June 30, 2005 per Statement of Activities	\$ 110,024
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The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINED STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2005

ASSETS

Cash	\$ 13,291
Interest bearing deposits	194,483
Investments	<u>73,679</u>
Total assets	<u>\$ 281,453</u>

LIABILITIES

Due to taxing bodies and others	<u>\$ 281,453</u>
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The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended June 30, 2005

REVENUES

Sheriff's sales, suits, and seizures	\$ 595,802
Bonds	1,332
Fines and costs	722,371
Inmate vending machines	1,107
Taxes/others	17,114
Taxes, fees, etc., paid to tax collector	11,235,801
Other additions	<u>566</u>
Total revenues	<u>12,574,093</u>

EXPENSES

Remittance of taxes, seizures, bond forfeitures, fines, and cost:	
Taxes, fees, etc., distributed to taxing bodies and others	7,598,571
State Agencies	66,434
Sheriff's General Fund	1,504,969
Clerk of Court	53,599
Police Jury	2,570,907
District Attorney	107,903
Judicial Expense Fund	29,048
Indigent Defender Board	70,208
Litigants, attorneys	608,586
Crime Lab	18,233
Inmate welfare expenditures	107
Other expenditures	<u>52,469</u>
Total expenses	<u>12,681,034</u>

Change in Net Assets	(106,941)
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Net Assets – beginning	<u>388,394</u>
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Net Assets – ending	<u>\$ 281,453</u>
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The accompanying notes are an integral part of these basic financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Allen Parish Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing court orders, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, and serves the residents of the parish through the establishment of neighborhood watch programs and anti-drug abuse programs. Additionally, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for the collection and distribution of ad valorem property taxes; parish occupational licenses; state revenue sharing funds; and fines, costs, and bond forfeitures imposed by the district court.

The financial statements of the Allen Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Such accounting and reporting procedures conform to the requirements of the industry audit guide, Audits of State and Local Governments. In government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

1. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Allen Parish Sheriff includes all funds, account groups, et cetera, that are within the oversight responsibility of the Allen Parish Sheriff.

As the governing authority of the parish, the Allen Parish Police Jury is the financial reporting entity for Allen Parish for reporting purposes. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Allen Parish Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the Allen Parish Police Jury.
2. Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Allen Parish Police Jury financial statements would be misleading if data of the Allen Parish Sheriff was not included and due to the nature and significance of the relationship, the Sheriff was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the Allen Parish Policy Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

The accompanying basic financial statements of the Allen Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary, and fiduciary. *The emphasis on fund financial statements is on major funds, each displayed on a separate column.* A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Sheriff reports the following governmental funds:

General Fund - is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws according to Sheriff policy.

E-911 Special Revenue Fund - was established for the purpose of maintaining and operating the enhanced 911 emergency telephone system for the parish. The Sheriff signed an intergovernmental agreement with the Allen Parish Police Jury on October 31, 1997 and assumed responsibility for the operation of the Allen Parish Enhanced 911 Service. Revenue to operate the service comes from a telephone service charge on local telephone service supplied within the parish.

Coushatta Tribe of Louisiana Community Grant Fund - was established to account for the receipt and disbursement of grant revenue received from the Coushatta Tribe of Louisiana.

Debt Service Fund - is used to account for the accumulation of resources for the payment of principal and interest on certificates of indebtedness.

Capital Projects Fund - is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds –

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement Focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The Sheriff applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. BUDGET PRACTICES

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Formal budgeting integration is employed as a management control device during the year for the general and special revenue funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Sheriff prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
3. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
4. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
5. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Sheriff prior to the commencement of the fiscal year for which the budget is being adopted.
6. Any budgetary amendments must be approved by the Sheriff and are published in the official journal. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.
7. All budgetary appropriations lapse at end of each year.

5. CASH AND INTEREST BEARING DEPOSITS

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

6. INVESTMENTS

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. The investments are reported at market value.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

8. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	25-40 years
Equipment	5-12 years
Vehicles	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

9. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of a certificate of indebtedness payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

10. COMPENSATED ABSENCES

After six months of service, employees of the Sheriff's office are granted from one to two weeks of non-cumulative vacation leave annually. Sick leave is granted at the discretion of the Sheriff. At June 30,

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2005, the Sheriff had no vested leave benefits required to be reported in accordance with generally accepted accounting principles.

11. EQUITY CLASSIFICATION

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

12. REVENUES, EXPENDITURES, AND EXPENSES

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Sheriff's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Sheriff's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Intergovernmental revenues and fees, charges and commissions for service are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

13. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

14. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. *externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and*
2. *imposed by law through constitutional provisions or enabling legislation.*

15. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

NOTE B – AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Allen Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2005, the law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.3 mills on property with net assessed valuations totaling \$66,566,720.

Gross taxes levied for the current fiscal year totaled \$1,151,604. After adjustments for uncollected current year taxes, pension fund cost withholdings, tax collector cost reimbursements and collections of delinquent prior year taxes, net taxes remitted to the Sheriff amounted to \$1,152,927.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE C – CASH AND INTEREST BEARING DEPOSITS

Cash and interest bearing deposits includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected. At June 30, 2005, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,918,882, as follows:

	<u>Government-Wide Statement of Net Assets</u>	<u>Fiduciary Funds Statement of Net Assets</u>	<u>Total</u>
Non interest-bearing deposits	\$ 300	\$ 13,291	\$ 13,591
Interest-bearing deposits	<u>1,710,808</u>	<u>194,483</u>	<u>1,905,291</u>
Total	<u>\$1,711,108</u>	<u>\$ 207,774</u>	<u>\$1,918,882</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (collected bank balances) at June 30, 2005, are secured as follows:

Bank balances	<u>\$2,176,022</u>
Federal deposit insurance	\$ 415,306
Pledged securities (category 3)	<u>3,115,478</u>
Total	<u>\$3,530,784</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

NOTE D – INVESTMENTS

The Sheriff can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Sheriff's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Sheriff or its agent in the Sheriff's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

Sheriff's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Sheriff's name.

In accordance with GASB Codification Section 150.165, the Sheriff's investment in LAMP is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by SEC Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U. S. Treasury, The U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) rule 2-a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2-a7.

At June 30, 2005, the Sheriff's investments totaled \$74,398 as follows:

LAMP investments – General Fund	\$ 719
LAMP investments – Tax Collector Fund (agency fund)	<u>73,679</u>
Total Investments	<u>\$74,398</u>

NOTE E – RECEIVABLES

Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2005 consist of the following:

	<u>General Fund</u>
Grants	\$ 43,327
Fees, charges, and commissions for services:	
Civil and criminal fees	18,932
Court attendance	3,206
Transportation of prisoners	4,662
Feeding and keeping prisoners	8,589
Ad valorem taxes	887
Other governmental receivables	<u>786</u>
Total	<u>\$ 80,389</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

Other Receivables

Other receivables at June 30, 2005, are as follows:

Miscellaneous receivable -- General Fund	\$ 800
Accrued interest -- capital projects fund	5,905
Telephone commission -- E-911 Special Revenue Fund	33,987
Intergovernmental-Local source -- Coushatta Tribe Community Grant Fund	<u>162,548</u>
Total	<u>\$ 203,240</u>

All receivables are deemed fully collectible, and accordingly, no allowance has been provided.

NOTE F – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2005 follows:

	Balance June 30, 2004	Net Additions (Deletions)	Balance June 30, 2005
Governmental activities:			
Capital assets not being depreciated:			
Land			
Other capital assets:			
Buildings and improvements	\$ 82,178	\$ -	\$ 82,178
Office, equipment, and furniture	1,017,482	-	1,017,482
Vehicles	399,036	93,660	492,696
	<u>586,979</u>	<u>(36,828)</u>	<u>550,151</u>
Total	2,085,675	<u>56,832</u>	2,142,507
Less accumulated depreciation	896,066		914,838
Net	<u>\$ 1,189,609</u>		<u>\$ 1,227,669</u>

Depreciation expense for the year was \$122,135.

NOTE G – LONG-TERM DEBT

The Sheriff's long-term debt, issued for the construction of an administration building and for the purchase of copiers via a capital lease, is attributable to governmental activities. The following is a summary of changes in long-term debt for the year ended June 30, 2005:

Long-term debt payable at June 30, 2004	\$ 280,000
Additions	213,451
Reductions	<u>(266,939)</u>
Long-term debt payable at June 30, 2005	<u>\$ 226,512</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

That long-term debt, summarized above, consists of bond and capital lease obligations under the following instruments and contracts:

\$600,000 certificates of indebtedness dated September 1, 1997; due in annual installments of \$60,000 to \$75,000 through September 1, 2007; interest at 5.4 percent; secured by excess general fund revenues	\$ 215,000
\$200,000 in short-term advances on a \$900,000 multiple advance loan starting October 1, 2004 at 3.7 percent; secured by excess general fund revenues were retired in June 1, 2005.	-
\$13,451 (net present value) capital lease dated June 30, 2004; due in monthly installments of \$338 through June 10, 2009; interest at 18 percent; secured by four digital copiers	<u>11,512</u>
Total Long-Term Debt	<u>\$ 226,512</u>

The long-term debt represented by the certificates of indebtedness and capital lease is due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 72,158	\$ 11,620	\$ 83,778
2007	72,580	7,418	79,998
2008	78,085	2,998	81,083
2009	3,689	369	4,058
Thereafter	-	-	-
Totals	<u>\$ 226,512</u>	<u>\$ 22,405</u>	<u>\$248,917</u>

NOTE H – RETIREMENT COMMITMENTS

Pension Plan

Substantially all full-time employees of the Allen Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer, cost-sharing, defined benefit, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to the Sheriff and Deputy Sheriff members throughout the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136, or by calling (318) 362-3191.

All Sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 or older at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

year of credited service. The percentage factor to be used for each year of service is 3 1/3 per cent. In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System also include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. State statute requires covered employees to contribute a percentage of their salaries, 10.0% effective October 1, 2004 (increased from the 9.8% rate in effect from July 1, 2004 to September 30, 2004), to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contributions for the year ended June 30, 2005 were 9.75% of covered employees' salaries.

The payroll for the Sheriff's employees covered by the System for the year ended June 30, 2005 was \$1,336,485; the Sheriff's total payroll was \$1,608,592. The Sheriff contributed \$130,307 as the employer's share to the System during the year, while the employees' share amounted to \$133,037. However, the Sheriff partially funded the employees' pension contribution. Specifically, through payroll withholdings, the employees pay 6% as their portion of the employees' share, while the Sheriff funds the remainder of the employees' portion, being 4% of the employees' salaries (3.8% prior to October 1, 2004). In summary, the employee contributions (totaling \$133,037) to the System were funded by the employees in the amount of \$77,139 and with the balance of \$55,898, being contributed by the Sheriff. Thus, the Sheriff's total pension contributions in the current year amounted to \$186,205.

Deferred Compensation Plan

The Allen Parish Sheriff offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all qualifying Sheriff employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE I – CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Agency funds:				
Sheriff's Fund	\$ 300,667	\$ 1,336,784	\$ 1,458,120	\$ 179,331
Tax Collector Fund	74,742	11,235,801	11,222,807	87,736
Commission on Aging Fund	694	401	-	1,095
Prisoner Inmate Fund	<u>12,291</u>	<u>1,107</u>	<u>107</u>	<u>13,291</u>
Total	<u>\$ 388,394</u>	<u>\$ 12,574,093</u>	<u>\$ 12,681,034</u>	<u>\$ 281,453</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

NOTE J – CONTINGENCIES AND COMMITMENTS

The Sheriff is a defendant in a number of lawsuits that arose in the normal course of operations which are in various stages of completion. The Sheriff's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Sheriff. As of the date of this report, the Sheriff's legal counsel believes that, for all lawsuits, final and probable judgments as a result of these suits would be covered by insurance and would not have a material adverse effect on the Sheriff's financial statements.

NOTE K – EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ALLEN PARISH POLICE JURY

Part of the Sheriff's office is located in the parish courthouse and parish jail. The Allen Parish Police Jury, as required by statute, pays the cost of maintaining and operating the parish courthouse and the parish jail. These expenditures are not included in the accompanying basic financial statements.

NOTE L – RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage covering automobile liability, medical payments, uninsured motorist and collision, and surety bond coverage. In addition to the above policies, the Sheriff maintains a public officials policy and a law enforcement liability policy. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE M – TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2005, include \$73,679 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

NOTE N – GOING CONCERN ISSUES

In the year 2001 a new gaming compact was agreed-upon between the State of Louisiana and the Coushatta Tribe of Louisiana. As a result of the new gaming compact the Sheriff no longer received unrestricted funding of approximately \$1.5 million. The funding was reduced to approximately \$1 million with the restriction that \$300,000 of the \$1 million is to be transferred to a capital projects fund for the purpose of constructing a new jail facility. Also, the gaming revenues of the Coushatta Tribe for the fiscal year ended June 30, 2005 were significantly lower. Clauses within the gaming compact provided for reduced payments during periods of low gaming revenues. During the fiscal year ended June 30, 2005 the Sheriff recognized revenues of \$715,722 from the Coushatta Tribe instead of the normal \$1 million.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
NOTES TO THE FINANCIAL STATEMENTS-Continued
June 30, 2005

Therefore, instead of receiving unrestricted revenues \$1.5 million as provided by the old compact the Sheriff received \$415,722 (\$715,722 minus \$300,000 restricted for capital projects) in unrestricted revenues during the fiscal year ended June 30, 2005. This represents a \$1,084,278 (\$1.5 million minus \$415,722) reduction in unrestricted resources being received by the Sheriff since the new gaming compact became effective and other changes occurred. Gaming revenues became a significant portion of the Sheriff's funding when gaming appeared in the parish in 1994, and the Sheriff has become somewhat economically dependent upon those revenues. In large part, as a result of these declines, the Sheriff's general fund unreserved and undesignated fund balance has deteriorated dramatically over the last several years. However, the Sheriff has some options to alleviate these conditions. These options include among others:

- a) Requesting an increase ad valorem tax millage or increasing other revenues.
- b) Reducing spending to the extent possible.

NOTE O – SUBSEQUENT EVENTS

With adverse conditions as explained in Note N reducing cash flow to the general fund, cash shortages in August through December of 2005 were alleviated by a \$475,000 advance from a lending institution on a \$600,000 multiple advance loan. This loan is expected to be repaid by general fund revenues.

NOTE P – ECONOMIC DEPENDENCE

Since the gaming income from the Coushatta Tribe of Louisiana represents more than 10% (a total of 23%) of total governmental fund revenues provided by one entity, the Sheriff has a significant economic dependence upon such revenues.

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2005

	GENERAL FUND			Variance
	Original	Budget Final	Actual	Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 1,150,000	\$ 1,150,000	\$ 1,152,927	\$ 2,927
Intergovernmental revenues –				
Federal grants	70,000	76,475	82,608	6,133
State grants	55,000	67,985	61,216	(6,769)
State revenue sharing (net)	127,500	125,600	128,385	2,785
State supplemental pay	80,000	70,400	68,290	(2,110)
Local sources	75,000	40,000	121,892	81,892
Miscellaneous	400	400	400	-
Fees, charges, and commissions for services:				
Civil and criminal fees	327,500	241,150	259,165	18,015
Court attendance	12,000	14,000	16,568	2,568
E-911 reimbursements	200,000	148,000	118,740	(29,260)
Feeding and keeping prisoners	133,000	129,500	131,490	1,990
Transporting prisoners	16,000	18,200	18,425	225
Other	16,500	13,190	14,288	1,098
Interest income	10,000	7,750	5,947	(1,803)
Total revenues	2,272,900	2,102,650	2,180,341	77,691
EXPENDITURES				
Current				
Public safety:				
Personal services and related benefits	2,047,058	1,786,250	1,842,107	(55,857)
Operating services	474,001	438,500	438,284	216
Operations and maintenance	498,100	446,050	386,870	59,180
Travel and other charges	7,000	2,500	906	1,594
Capital outlay	67,500	100,000	165,361	(65,361)
Debt Service:				
Principal	-	-	201,939	(201,939)
Interest	1,500	6,000	7,208	(1,208)
Total expenditures	3,095,159	2,779,300	3,042,675	(263,375)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(822,259)	(676,650)	(862,334)	(185,684)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	575,000	580,000	586,306	6,306
Operating transfers out	-	-	-	-
Short-term note proceeds	-	-	200,000	200,000
Capital lease financing	-	-	13,451	13,451
Total other financing sources (uses)	575,000	580,000	799,757	219,757
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(247,259)	(96,650)	(62,577)	34,073
FUND BALANCE-BEGINNING	375,441	375,441	375,441	-
FUND BALANCE-ENDING	\$ 128,182	\$ 278,791	\$ 312,864	\$ 34,073

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH S HERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – E-911 SPECIAL REVENUE FUND
Year Ended June 30, 2005

	SPECIAL REVENUE FUND			Variance
	Original	Budget Final	Actual	Favorable (Unfavorable)
REVENUES				
Commissions - telephone	\$ 227,000	\$ 148,000	\$ 183,543	\$ 35,543
Interest income	-	-	54	54
Total revenues	227,000	148,000	183,597	35,597
EXPENDITURES				
Current				
Public safety:				
Operating services	225,000	148,000	172,719	(24,719)
Total expenditures	225,000	148,000	172,719	(24,719)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,000	-	10,878	10,878
FUND BALANCE-BEGINNING	571	571	571	-
FUND BALANCE-ENDING	\$ 2,571	\$ 571	\$ 11,449	\$ 10,878

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – COUSHATTA GRANT
SPECIAL REVENUE FUND
Year Ended June 30, 2005

COUSHATTA GRANT SPECIAL REVENUE FUND				
	Budget			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES				
Grant revenue	\$ 575,000	\$ 688,000	\$ 715,722	\$ 27,722
Interest income	-	-	582	582
Total revenues	575,000	688,000	716,304	28,304
EXPENDITURES				
Current				
Public safety:				
Operating services	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	575,000	688,000	716,304	28,304
OTHER FINANCING SOURCES (USES)				
Operating transfer to general fund	(275,000)	(580,000)	(584,000)	(4,000)
Operating transfers to construction fund	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	(575,000)	(880,000)	(884,000)	(4,000)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(192,000)	(167,696)	24,304
FUND BALANCE-BEGINNING	192,887	192,887	192,887	-
FUND BALANCE-ENDING	\$ 192,887	\$ 887	\$ 25,191	\$ 24,304

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTAL INFORMATION

ALLEN PARISH SHERIFF
Oberlin, Louisiana
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND EXPENDITURES
Year Ended June 30, 2005

GENERAL FUND				
	Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Current:				
Public safety:				
Personal services and related benefits:				
Sheriff salary	\$ 115,058	\$ 95,900	\$ 100,100	\$ (4,200)
Deputies salary	1,680,000	1,466,200	1,508,492	(42,292)
Pension, deferred compensation, and payroll taxes	252,000	224,150	233,515	(9,365)
Sheriff's expense allowance	-	-	-	-
Total personal services and related benefits	<u>2,047,058</u>	<u>1,786,250</u>	<u>1,842,107</u>	<u>(55,857)</u>
Operating services:				
Hospitalization and life insurance	260,000	288,800	281,371	7,429
Auto insurance	120,000	75,000	63,756	11,244
Other liability insurance	85,000	59,700	75,431	(15,731)
Other operating services	<u>9,001</u>	<u>15,000</u>	<u>17,726</u>	<u>(2,726)</u>
Total operating services	<u>474,001</u>	<u>438,500</u>	<u>438,284</u>	<u>216</u>
Operations and maintenance:				
Auto fuel and oil	100,000	93,900	106,807	(12,907)
Auto maintenance	60,000	45,000	41,560	3,440
Deputy uniforms, supplies, etc.	24,000	23,300	20,683	2,617
E-911 expenditures	60,000	47,700	-	47,700
Office supplies	81,000	67,325	50,673	16,652
Telephone	40,000	45,000	46,995	(1,995)
Radio operation and maintenance	10,000	7,000	3,581	3,419
Prisoner feeding and maintenance	80,000	75,000	72,695	2,305
Training	10,000	10,150	8,762	1,388
Substation maintenance	2,500	1,275	1,417	(142)
Dues and subscriptions	9,700	8,850	11,846	(2,996)
Criminal investigation expenditures	17,100	17,100	16,314	786
Other	<u>3,800</u>	<u>4,450</u>	<u>5,537</u>	<u>(1,087)</u>
Total operations and maintenance	<u>498,100</u>	<u>446,050</u>	<u>386,870</u>	<u>59,180</u>
Travel	<u>7,000</u>	<u>2,500</u>	<u>906</u>	<u>1,594</u>
Capital Outlays:				
Autos	60,000	34,500	71,700	(37,200)
Computer Equipment	5,000	31,000	24,812	6,188
Equipment	2,500	21,000	38,967	(17,967)
Office Equipment	-	13,500	29,882	(16,382)
Total capital outlays	<u>67,500</u>	<u>100,000</u>	<u>165,361</u>	<u>(65,361)</u>
Debt Service:				
Principal	-	-	201,939	(201,939)
Interest	<u>1,500</u>	<u>6,000</u>	<u>7,208</u>	<u>(1,208)</u>
Total debt service	<u>1,500</u>	<u>6,000</u>	<u>209,147</u>	<u>(203,147)</u>
Total expenditures	<u>\$ 3,095,159</u>	<u>\$ 2,779,300</u>	<u>\$ 3,042,675</u>	<u>\$ (263,375)</u>

FIDUCIARY FUNDS

SHERIFF'S FUND

To account for funds held in connection with civil suits, Sheriff's sales and garnishments, bonds and fines and costs and payment of the collections to the Sheriff's General Fund and other recipients in accordance with applicable laws

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. *The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.*

COMMISSION ON AGING FUND

The Commission on Aging Fund accounts for monies earned from a local fundraiser. All funds are expended to provide food and plaques for senior citizen events and to cover expenses for Senior Citizen Day at the Allen Parish Fair.

PRISONER INMATE FUND

The Inmate Deposit Fund accounts for receipts and disbursements made from vending machine income and used for inmate welfare.

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINING STATEMENT OF FIDUCIARY NET ASSETS – AGENCY FUNDS
June 30, 2005

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Commission On Aging Fund</u>	<u>Prisoner Inmate Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 13,291	\$ 13,291
Interest bearing deposits	179,331	14,057	1,095	-	194,483
Investments	-	73,679	-	-	73,679
TOTAL ASSETS	<u>\$ 179,331</u>	<u>\$ 87,736</u>	<u>\$ 1,095</u>	<u>\$ 13,291</u>	<u>\$ 281,453</u>
LIABILITIES					
Due to taxing bodies and others	<u>\$ 179,331</u>	<u>\$ 87,736</u>	<u>\$ 1,095</u>	<u>\$ 13,291</u>	<u>\$ 281,453</u>

ALLEN PARISH SHERIFF
Oberlin, Louisiana
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – AGENCY FUNDS
June 30, 2005

	Sheriff's Fund	Tax Collector Fund	Commission On Aging Fund	Prisoner Inmate Fund	Total
Balances, beginning of year	\$ 300,667	\$ 74,742	\$ 694	\$ 12,291	\$ 388,394
Additions:					
Deposits -					
Sheriff's sales, suits, and seizures	595,802	-	-	-	595,802
Bonds	1,332	-	-	-	1,332
Fines and costs	722,371	-	-	-	722,371
Taxes/others	17,114	-	-	-	17,114
Inmate vending machines	-	-	-	1,107	1,107
Taxes, fees, etc., paid to tax collector	-	11,235,801	-	-	11,235,801
Other additions	165	-	401	-	566
Total additions	1,336,784	11,235,801	401	1,107	12,574,093
Total	1,637,451	11,310,543	1,095	13,398	12,962,487
Reductions:					
Taxes, fees, etc, distributed to taxing bodies and others	-	7,598,571	-	-	7,598,571
Deposits settled to -					
State agencies	42,248	24,186	-	-	66,434
Sheriff's General Fund	199,514	1,305,455	-	-	1,504,969
Clerk of Court	53,599	-	-	-	53,599
Police Jury	276,312	2,294,595	-	-	2,570,907
District Attorney	107,903	-	-	-	107,903
Judicial Expense Fund	29,048	-	-	-	29,048
Indigent Defender Board	70,208	-	-	-	70,208
Litigants, attorneys	608,586	-	-	-	608,586
Crime Lab	18,233	-	-	-	18,233
Inmate welfare expenditures	-	-	-	107	107
Other reductions	52,469	-	-	-	52,469
Total reductions	1,458,120	11,222,807	-	107	12,681,034
Balances, end of year	\$ 179,331	\$ 87,736	\$ 1,095	\$ 13,291	\$ 281,453

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

January 10, 2006

Honorable Harold Brady
Allen Parish Sheriff
Oberlin, LA

I have audited the financial statements of the Allen Parish Sheriff as of and for the year ended June 30, 2005, and have issued my report thereon dated January 10, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Allen Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as Items 2005-1 through 2005-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Allen Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to

the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended solely for the information and use of the Allen Parish Sheriff's management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC

Royce T. Scimemi, CPA, APAC

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ No

Reportable conditions identified not considered
to be material weakness? ☐ Yes ☒ None reported

Noncompliance material to financial statements
noted? ☐ Yes ☒ No

Federal Awards

N/A

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended June 30, 2005

SECTION II – FINANCIAL STATEMENT FINDINGS

Item 2005-1 C:

Description: Since actual expenditures in the E-911 Special Revenue Fund and the General Fund were in excess of budgeted amounts by more the 5%, the Sheriff is in violation of Louisiana Revised Statute 39:1310 – Local Governmental Budget Act.

Corrective Action Planned: Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Local Governmental Budget Act.

Contact Person: Honorable Harold Brady, Sheriff

Item 2005-2 I/C:

Description: Management did not have adequate segregation of functions within the accounting system. This is a repeat finding.

Corrective Action Planned: Management response is not necessary.

Contact Person: Honorable Harold Brady, Sheriff

SECTION III – FEDERAL AWARD FINDINGS

None

ALLEN PARISH SHERIFF
Oberlin, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2005

2004-1 I/C Timely Reconciliation of Cash Accounts:

Corrected satisfactorily

Corrective Action Taken: Bank accounts are now being timely reconciled.

2004-2 I/C & C Personal Use of Government Vehicles:

Corrected satisfactorily

Corrective Action Taken: Deputies are now regulated by policies that restrict the use of vehicles to police purposes only. Management closely monitors this policy.

2004-3 C 5% Shortfall of E-911 Actual Revenues:

Corrective Action Taken: E-911 revenues did not fall short of budget by more than 5% in fiscal year ended June 30, 2005. However, the year ended June 30, 2005 did have two other 5% violations reported.

2004-4 I/C Segregation of duties:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

2004-5 C Borrowing of Restricted Jail Construction Funds:

Corrected satisfactorily

Corrective Action Taken: There were no borrowings of restricted gaming revenues during the fiscal year ended June 30, 2005.

2004-6 C Retroactive Pay Raises:

Corrected satisfactorily

Corrective Action Taken: There were no retroactive pay raises made during the fiscal year ended June 30, 2005.